

**Section 472.—Last-in, First-out Inventories**

26 CFR 1.472-1: Last-in, first-out inventories.

**LIFO; price indexes; department stores.** The October 1996 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, October 31, 1996.

**Rev. Rul. 96-60**

The following Department Store Inventory Price Indexes for October 1996 were issued by the Bureau of Labor Statistics on November 14, 1996. The indexes are accepted by the Internal Revenue Service, under § 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory

methods for tax years ended on, or with reference to, October 31, 1996.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups—soft goods, durable goods, and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

**BUREAU OF LABOR STATISTICS, DEPARTMENT STORE INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS**  
(January 1941 = 100, unless otherwise noted)

Groups	Oct. 1995	Oct. 1996	Percent Change from Oct. 1995 to Oct. 1996 <sup>1</sup>
1. Piece Goods	508.6	561.0	10.3
2. Domestic and Draperies	664.7	641.0	-3.6
3. Women's and Children's Shoes	647.5	661.8	2.2
4. Men's Shoes	930.1	920.1	-1.1
5. Infants' Wear	633.8	626.4	-1.2
6. Women's Underwear	522.6	536.8	2.7
7. Women's Hosiery	290.7	285.7	-1.7
8. Women's and Girls' Accessories	558.3	557.5	-0.1
9. Women's Outerwear and Girls' Wear	430.5	417.5	-3.0
10. Men's Clothing	621.1	621.9	0.1
11. Men's Furnishings	572.1	581.7	1.7
12. Boys' Clothing and Furnishings	501.9	490.7	-2.2
13. Jewelry	1014.3	1043.6	2.9
14. Notions	782.3	797.3	1.9
15. Toilet Articles and Drugs	868.7	901.4	3.8
16. Furniture and Bedding	666.4	667.5	0.2
17. Floor Coverings	567.4	585.2	3.1
18. Housewares	801.2	808.1	0.9
19. Major Appliances	248.9	246.2	-1.1
20. Radio and Television	80.6	77.8	-3.5
21. Recreation and Education <sup>2</sup>	114.0	111.8	-1.9
22. Home Improvements <sup>2</sup>	122.1	125.6	2.9
23. Auto Accessories <sup>2</sup>	107.0	107.4	0.4
Groups 1-15: Soft Goods	603.0	603.4	0.1
Groups 16-20: Durable Goods	469.3	467.7	-0.3
Groups 21-23: Misc. Goods <sup>2</sup>	113.9	112.9	-0.9
Store Total <sup>3</sup>	556.9	556.1	-0.1

<sup>1</sup>Absence of a minus sign before percentage change in this column signifies price increase.

<sup>2</sup>Indexes on a January 1986=100 base.

<sup>3</sup>The store total index covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

**DRAFTING INFORMATION**

The principal author of this revenue ruling is Stan Michaels of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Michaels on (202) 622-4970 (not a toll-free call).